

Consolidated Edison Company of New York, Inc
Revenue Requirement Reconciliation
Company Request vs. Trial Staff Recommendation
For the Rate Year Ending March 31, 2011
(\$000's)

| | <u>Amount</u> | |
|--|--------------------|--------------------|
| Company Revenue Requirement Request | \$840,381 | |
| Trial Staff Recommendation | 477,360 | |
| Revenue Difference to Reconcile | <u>(\$363,021)</u> | |
| | | |
| <u>Revenue Requirement Element</u> | <u>Difference</u> | <u>Rate Effect</u> |
| Sales Revenues | (\$6,519) | (\$6,729) |
| Other Operating Revenues / Regulatory Deferrals | (4,593) | (4,740) |
| <u>Operations and Maintenance Expenses</u> | | |
| Company Labor | (45,714) | |
| Austerity Adjustment | (31,300) | |
| Interference | (26,762) | |
| Informational Advertising | (8,700) | |
| Employee Welfare Expense | (3,906) | |
| Research & Development | (3,467) | |
| Insurance | (2,482) | |
| All Other O&M Expenses | (11,785) | |
| Total Operations and Maintenance Expenses | <u>(134,116)</u> | (138,428) |
| Depreciation Expense | (21,239) | (21,922) |
| <u>Taxes Other Than Income Taxes</u> | | |
| Property Taxes | (17,408) | |
| Payroll Taxes | (4,419) | |
| All other | (5,045) | |
| Total Taxes Other Than Income Taxes | <u>(26,872)</u> | (27,736) |
| <u>Income Tax Impacts of Staff Adjustments</u> | | |
| Book v. Tax Depreciation Differences, SIT Tax Credit | (4,389) | (7,502) |
| <u>Rate Base</u> | | |
| Net Plant | (211,783) | |
| Working Capital | (128,499) | |
| Accumulated Deferred Income Taxes | (86,082) | |
| All Other Rate Base | (11,909) | |
| Total Rate Base | <u>(438,273)</u> | (49,756) |
| <u>Rate of Return</u> | | |
| Company Request Pre-Tax ROR (10.9% ROE) | 11.68% | |
| Trial Staff Recommendation Pre-Tax ROR (10.1% ROE) | 11.00% | |
| Pre-tax ROR Difference | <u>-0.68%</u> | |
| Rate Base per Company Request | 15,326,271 | |
| Total Rate of Return | <u>(103,814)</u> | (107,152) |
| Unreconciled Difference | | 944 |
| Total Revenue Difference Reconciled | | <u>(\$363,021)</u> |